

FISCAL NOTE

SB 721 - HB 1520

April 11, 2001

SUMMARY OF BILL: Requires certain information with the submission of a TennCare enrollment application including:

1. The applicant's current place of employment
2. The name of the applicant's employer and the personnel officer
3. The employer's address
4. The length of time at current employment

The application would also require proof of the following

1. Two forms of proof of salary
2. Proof of residency
3. Photo identification (for applicants 16 years of age or older)
4. A statement from the employer stating whether such employer offers employee insurance
5. A \$10 fee from non-Medicaid eligible applicants
6. If applying as uninsurable a doctor's statement regarding the applicant's medical condition and (b) a copy of an insurance application, the letter of rejection, and a list of conditions classified as uninsurable by the insurance company.

This bill would require any insurance company providing health insurance coverage in Tennessee to provide an insurance applicant that it has rejected with the documentation needed to apply for TennCare.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$440,000 Recurring
\$134,000 One-Time**

Decrease State Expenditures - Exceeds \$100,000 - Recurring

Increase State Revenues - \$515,000

Other Fiscal Impact:

**Increase Federal Expenditures - \$440,000 Recurring
\$264,000 One-Time**

**Decrease Federal Expenditures - Exceeds \$200,000
Decrease Federal Revenues - \$257,500**

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Estimate assumes:

- An increase of 35 positions and associated expenses in the TennCare bureau and The Department of Health to process the additional information required by the bill and one-time costs to provide equipment for the additional personnel and for changes to automated systems.
- An increase in state revenues from the \$10 fee. Estimate assumes approximately one-third of the 156,000 applications will be not be Medicaid applicants and will therefore be subject to paying the fee.
- Fifty percent of the increased revenue from the ten-dollar application fee will have to be offset against federal revenues withdrawn resulting in a decrease in federal revenues received of \$257,500.
- Some reduction in TennCare enrollment would be accomplished that would not have been accomplished in the absence of the bill with an associated reduction in TennCare expenditures. The amount of reduction cannot be determined but is estimated to exceed \$100,000 in state expenditures and a corresponding reduction in federal expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director